

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 691

March 22, 2017

SUMMARY OF BILL: Sets a minimum reimbursement rate of \$42.00 per inmate per day for the period of July 1, 2017, to June 30, 2019, and a minimum reimbursement rate of \$47.00 per inmate per day for the period of July 1, 2019, and thereafter, to counties for housing state prisoners.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$13,002,900/Each FY17-18 and FY18-19
\$26,005,800/FY19-20 and Subsequent Years**

**Increase Local Revenue – \$13,002,900/Each FY17-18 and FY18-19
\$26,005,800/FY19-20 and Subsequent Years**

Assumptions:

- Tennessee Code Annotated § 41-8-106 entitles counties to reimbursement from the state for housing state prisoners. Under Tenn. Code Ann. § 41-8-106(c), the reimbursement rate is set in the general appropriations act each year.
- The proposed legislation would set a statutory minimum reimbursement rate.
- Statistics from the Department of Correction (DOC) show that counties annually house approximately 9,622 state prisoners. Prisoners housed in Davidson and Shelby Counties are not impacted by the legislation, because they are reimbursed based on the actual costs of housing such prisoners.
- This represents the number of prisoners in local custody each day for the entire year, on average 365.25 days per year over extended periods of time.
- It is assumed that 26 percent of current state prisoners housed in counties are housed in Davidson and Shelby Counties; the remaining 74 percent are housed in other local jails.
- The proposed legislation will impact the reimbursement rate for 7,120 state prisoners (9,622 x 74.0%).
- The current rate set in the general appropriations act is \$37.00 per inmate per day. The rate set in the proposed legislation for the period of July 1, 2017 through June 30, 2019, is \$42.00.
- The proposed legislation will result in DOC paying \$5.00 (\$42.00 - \$37.00) per inmate per day more than under the current rate.

- The proposed legislation will increase recurring state expenditures by \$13,002,900 (7,120 prisoners x \$5.00 per inmate per day x 365.25 days) for each FY17-18 and FY18-19.
- The current rate set in the general appropriations act is \$37.00 per inmate per day. The rate set in the proposed legislation for the period of July 1, 2019, and thereafter, is \$47.00.
- The proposed legislation will result in DOC paying \$10.00 (\$47.00 - \$37.00) per inmate per day more than under the current rate.
- The proposed legislation will increase recurring state expenditures by \$26,005,800 (7,120 prisoners x \$10.00 per inmate per day x 365.25 days) for FY19-20 and subsequent years.
- The proposed legislation will increase local revenue by \$13,002,900 (7,120 prisoners x \$5.00 per inmate per day x 365.25 days) in FY17-18 and in FY18-19 and subsequent years by \$26,005,800 (7,120 prisoners x \$10.00 per inmate per day x 365.25 days).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/trm